

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FRANCHISE GROUP, INC., *et al.*,¹

Reorganized Debtors.

Chapter 11

Case No. 24-12480 (LSS)

(Jointly Administered)

Hearing Date:

September 10, 2025 at 10:00 a.m. (ET)

Objection Deadline:

August 11, 2025 at 4:00 p.m. (ET)

**SUMMARY OF SIXTH MONTHLY AND FINAL FEE APPLICATION OF ERNST &
YOUNG LLP AS TAX, VALUATION, AND ACCOUNTING SERVICES PROVIDER TO
THE DEBTORS AND DEBTORS IN POSSESSION FOR COMPENSATION
FOR PROFESSIONAL SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES INCURRED FOR THE PERIOD FROM (I) MAY 1, 2025
THROUGH AND INCLUDING JUNE 2, 2025 AND (II) FOR THE PERIOD
NOVEMBER 3, 2024 THROUGH AND INCLUDING JUNE 2, 2025**

¹ The Reorganized Debtors in these chapter 11 cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy's Newco, LLC (5404), Buddy's Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260), Franchise Group Newco BHF, LLC (4123), Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies "Plus", LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Reorganized Debtors' headquarters is located at 2371 Liberty Way, Virginia Beach, Virginia 23456.

Name of Applicant:	Ernst & Young LLP (“ <u>EY LLP</u> ”)
Authorized to Provide Professional Services to:	Debtors and Debtors in Possession
Date Order of Retention Order:	November 3, 2024 (order entered January 7, 2025)

Sixth Monthly Fee Period		
	Beginning of Period	End of Period
Time Period Covered by the Sixth Monthly Fee Period:	May 1, 2025	June 2, 2025
Total Fees Requested in the Sixth Monthly Fee Period:	\$207,625.00	
80% of Total Fees Requested in the Sixth Monthly Fee Period:	\$166,100.00	
Total Actual Professional Hours Covered by the Sixth Monthly Fee Period:	211.4	
Average Hourly Rate for All Professionals in the Sixth Monthly Fee Period	\$982.14	
Reimbursable Expenses Sought in the Sixth Monthly Fee Period:	\$0.00	

Final Compensation Period		
	Beginning of Period	End of Period
Time Period Covered by the Final Compensation Period:	November 3, 2024	June 2, 2025
Time Period(s) Covered by Prior Interim Applications:	November 3, 2024	January 31, 2025
Total Fees Requested in the Final Compensation Period:	\$1,723,067.00 ²	
Total Actual Professional Hours Covered by the Final Compensation Period:	2,997.9	
Average Hourly Rate for Professionals in the Final Compensation Period:	\$577.62	

² Includes adjustment of \$5,002.50 for incorrect hourly rate charged for Howard Tucker on EY’s November 2024, and January through March 2025 fee statements. Amount also includes agreed-upon reduction recommended by fee examiner in the amount of \$3,575.00 related to the First Interim Fee Period (covering November 3, 2024 through June 2, 2025).

Total Reimbursable Expenses Sought in the Final Compensation Period:	\$0.00
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This is a: X monthly X final application

This application includes 5.0 hours and \$2,350.00 in fees incurred in connection with the preparation of Fee Applications.

Summary of Prior Monthly Fee Statements

		Requested		Approved	
Date Filed / Docket No.	Period Covered	Fees	Expenses	Fees	Expenses
2/28/25 D.I. 1039	11/3/24 – 12/31/24	\$105,030.00	\$0.00	Pending	\$0.00
3/13/25 D.I. 1096	01/01/25-01/31/25	\$285,345.00	\$0.00	Pending	\$0.00
4/23/25 D.I. 1306	02/01/25-02/28/25	\$430,054.50	\$0.00	Pending	\$0.00
5/21/25 D.I. 1553	03/01/25-03/31/25	\$440,736.00	\$0.00	Pending	\$0.00
7/2/25 D.I. 1684	04/01/25-04/30/25	\$262,854.00	\$0.00	Pending	\$0.00
TOTAL		\$1,524,019.50	\$0.00	Pending	\$0.00

**SUMMARY BY PROFESSIONAL FOR
THE SIXTH MONTHLY FEE PERIOD**

Name	Rank	Time	Hourly Rate	Total Individual Fees
Asplund, Jeremy	Senior Manager	5.5	\$600.00	\$3,300.00
Biswas, Milton	Partner	0.5	\$750.00	\$375.00
Cortez, Alfredo	Manager	0.5	\$500.00	\$250.00
Deravin, Susan	Senior Manager	8.5	\$600.00	\$5,100.00
Derrickson, Michelle	Senior	16.4	\$400.00	\$6,560.00
Harvey, Elizabeth	Partner	0.5	\$1,250.00	\$625.00
Hornecker, Peter	Partner	0.3	\$750.00	\$225.00
Huynh Tho vo, Le	Staff	1.8	\$225.00	\$405.00
Kalafatis, Kostas	Executive Director	3.0	\$700.00	\$2,100.00
Korbutt, Brian	Partner	19.4	\$1,250.00	\$24,250.00
Kulju, Keenan	Manager	5.0	\$500.00	\$2,500.00
Lakhanpal, Tushar	Senior	43.8	\$400.00	\$17,520.00
Lee, Sang	Senior Manager	11.8	\$950.00	\$11,210.00
Leno, Georges	Executive Director	1.6	\$700.00	\$1,120.00
Li, Alex	Manager	20.5	\$500.00	\$10,250.00
Naffakh, Tasneem	Senior	1.5	\$400.00	\$600.00
Oakley, Will	Senior Manager	0.5	\$600.00	\$300.00
Sawnani, Hirdai	Senior	5.0	\$400.00	\$2,000.00
Shankar, Shweta	Senior Manager	4.5	\$600.00	\$2,700.00
Winfrey, Kelly	Senior Manager	8.0	\$750.00	\$6,000.00
Winfrey, Kelly	Senior Manager	8.3	\$950.00	\$7,885.00
	Non-Fixed Fee Total	166.9		\$105,275.00

Doherty, Julia	Senior	3.5	Fixed Fee	
Huynh Tho vo, Le	Staff	25.0	Fixed Fee	
O'Connor, Lily	Senior	5.0	Fixed Fee	
Sandali, Félix	Staff	5.0	Fixed Fee	
Winfrey, Kelly	Senior Manager	1.0	Fixed Fee	
	2024 Tax Compliance - Fixed Total	39.5		\$100,000.00
Ingram, Connie	Manager	5.0	\$470.00	\$2,350.00
	Preparation of Fee Applications - Total			
	Consolidated Total	211.4		\$207,625.00

**COMPENSATION BY PROJECT CATEGORY
FOR THE SIXTH MONTHLY FEE PERIOD**

Time Category	Category Descriptions	Total Hours	Total Fees
State Notice and State Audit Assistance	Assistance with state notices and state audits.	1.8	\$405.00
Debt Restructuring Tax Assistance	Assistance with tax implications of various restructuring scenarios.	40.0	\$43,970.00
Accounting Assistance	Assistance with technical accounting applicable standards for financial reporting.	39.8	\$19,955.00
Routine On-Call Services	Miscellaneous assistance related to bankruptcy administration.	8.0	\$6,000.00
Loan Pool Valuation Assistance	Valuation of certain finance receivables.	77.3	\$34,945.00
Preparation of Fee Applications	Prepare fee statements in format required by Bankruptcy Court.	5.0	\$2,350.00
	Total	171.9	\$107,625.00
	Fixed Fee Total	39.5	\$100,000.00
	Non-Fixed Fee Total	171.9	\$107,625.00
	Consolidated Total	211.4	\$207,625.00

**SUMMARY BY PROFESSIONAL FOR THE
FINAL COMPENSATION PERIOD**

Name	Rank	Time	Hourly Rates	Total Individual Fees
Acosta, Liezl	Senior	12.6	\$410.00	\$5,166.00
Anwer, Sarah	Senior	73.0	\$400.00	\$29,200.00
Arbogast, Tyler	Partner	0.7	\$1,250.00	\$875.00
Arin, Tuana	Staff	1.0	\$400.00	\$400.00
Asplund, Jeremy	Senior Manager	5.5	\$600.00	\$3,300.00
Bakke, Don	Partner	6.5	\$1,250.00	\$8,125.00
Berryman, Mike	Partner	0.6	\$750.00	\$450.00
Biswas, Milton	Partner	0.5	\$750.00	\$375.00
Blahnik, Rudy	Executive Director	0.2	\$1,150.00	\$230.00
Boylan, Cavan	Manager	10.2	\$500.00	\$5,100.00
Cagnina, Christine	Executive Director	3.5	\$1,150.00	\$4,025.00
Caruso, Thierry	Partner	2.1	\$750.00	\$1,575.00
Chan, Eileen	Managing Director	2.8	\$700.00	\$1,960.00
Cook, Ali	Senior Manager	0.9	\$950.00	\$855.00
Contreras, Robert	Senior Manager	1.1	\$950.00	\$1,045.00
Cortez, Alfredo	Manager	4.1	\$500.00	\$2,050.00
Deravin, Susan	Senior Manager	237.0	\$600.00	\$142,200.00
Derrickson, Michelle	Senior	16.4	\$400.00	\$6,560.00
Doherty, Julia	Senior	53.2	\$410.00	\$21,812.00
Dubroff, Andy	Executive Director	2.0	\$1,150.00	\$2,300.00
Escobedo, Mary	Senior	3.0	\$600.00	\$1,800.00
Galarza, Damien	Senior	392.4	\$400.00	\$156,960.00
Gatt, Katie	Senior Manager	18.9	\$950.00	\$17,955.00
Guerino, Frank	Executive Director	1.2	\$1,150.00	\$1,380.00
Hallford, Stephanie	Manager	10.7	\$625.00	\$6,687.50
Harvey, Elizabeth	Partner	4.0	\$1,250.00	\$5,000.00
Helwing, Dan	Partner	0.4	\$750.00	\$300.00
Higgs, Ashley	Senior	9.3	\$400.00	\$3,720.00
Hill, Andrea	Partner	10.6	\$900.00	\$9,540.00
Hill, Andrea	Partner	5.4	\$1,250.00	\$6,750.00
Hornecker, Peter	Partner	4.7	\$750.00	\$3,525.00
Howard, Rebecca	Senior Manager	0.5	\$750.00	\$375.00
Hsiao, Elicia	Senior Manager	102.8	\$950.00	\$97,660.00
Hu, Jeff	Manager	1.0	\$500.00	\$500.00
Huynh Tho vo, Le	Staff	16.5	\$225.00	\$3,712.50
Huynh Tho vo, Le	Staff	104.6	\$275.00	\$28,765.00
Jacobs, Dolly	Partner	1.0	\$900.00	\$900.00

Name	Rank	Time	Hourly Rates	Total Individual Fees
Jones, Kenisha	Senior	2.0	\$410.00	\$820.00
Kalafatis, Kostas	Managing Director	3.5	\$700.00	\$2,450.00
Keefe, Michael	Senior Manager	0.5	\$950.00	\$475.00
Kemp, Bennett	Manager	2.7	\$625.00	\$1,687.50
Kooiker, Darcy	Executive Director	0.3	\$1,150.00	\$345.00
Korbutt, Brian	Partner	0.5	\$900.00	\$450.00
Korbutt, Brian	Partner	125.1	\$1,250.00	\$156,375.00
Kulju, Keenan	Manager	5.0	\$500.00	\$2,500.00
Lakhanpal, Tushar	Senior	43.8	\$400.00	\$17,520.00
Lane, Adam	Senior	9.2	\$410.00	\$3,772.00
Lanns, Gerohn	Partner	3.1	\$750.00	\$2,325.00
Lee, Sang	Senior Manager	11.8	\$950.00	\$11,210.00
Leno, Georges	Executive Director	112.1	\$700.00	\$78,470.00
Leno, Georges	Executive Director	11.5	\$750.00	\$8,625.00
Lewis, Jason	Staff	69.6	\$250.00	\$17,400.00
Li, Alex	Manager	20.5	\$500.00	\$10,250.00
Lowe, Chade	Senior Manager	36.1	\$600.00	\$21,660.00
Lowman, Kathryn	Senior	6.9	\$600.00	\$4,140.00
Luke, Bing	Executive Director	0.5	\$875.00	\$437.50
McGrane, Jason	Partner/Principal	1.6	\$750.00	\$1,200.00
McPhail, Ashley	Manager	0.5	\$850.00	\$425.00
Misek, Nick	Senior Manager	2.4	\$750.00	\$1,800.00
Naffakh, Tasneem	Senior	1.5	\$400.00	\$600.00
Newman, Christina	Senior Manager	2.7	\$600.00	\$1,620.00
Nordhoff, Matt James	Senior	7.7	\$400.00	\$3,080.00
Oakley, Will	Senior Manager	0.5	\$600.00	\$300.00
O'Connor, Lily	Senior	9.9	\$300.00	\$2,970.00
O'Connor, Lily	Senior	132.7	\$410.00	\$54,407.00
O'Connor, Lily	Senior	22.5	\$600.00	\$13,500.00
Ohrnstein, Mike	Managing Director	11.2	\$700.00	\$7,840.00
Owen, Karen	Staff	1.0	\$275.00	\$275.00
Polascik, Erin	Senior Manager	0.4	\$600.00	\$240.00
Rhodes, Brett Thomas	Partner	1.0	\$750.00	\$750.00
Ritter, Jarryd	Senior Manager	1.9	\$750.00	\$1,425.00
Robison, Greg	Manager	38.5	\$500.00	\$19,250.00
Sargent, Amy	Executive Director	1.4	\$1,150.00	\$1,610.00
Sawnani, Hirdai	Senior	5.0	\$400.00	\$2,000.00
Shankar, Shweta	Senior Manager	4.5	\$600.00	\$2,700.00
Sharf, Michael	Executive Director	2.1	\$875.00	\$1,837.50
Shirley, Kris	Partner/Principal	2.3	\$750.00	\$1,725.00
Smith, Jess	Manager	3.6	\$625.00	\$2,250.00

Name	Rank	Time	Hourly Rates	Total Individual Fees
Soviero, Joseph	Managing Director	1.0	\$700.00	\$700.00
Sudek, Stephen	Senior Manager	8.9	\$750.00	\$6,675.00
Summers, Caroline	Staff	83.1	\$250.00	\$20,775.00
Sylvester, Bryan	Senior Manager	0.3	\$950.00	\$285.00
Thomason, Todd	Manager	1.2	\$850.00	\$1,020.00
Tran-Nguyen, Tiffany	Staff	1.0	\$275.00	\$275.00
Tucker, Howard	Partner	6.9	\$1,250.00	\$8,625.00
Tucker, Howard	Partner	9.1	\$525.00	\$4,777.50
Urbina, Mathew	Executive Director	31.0	\$875.00	\$27,125.00
Urbina, Mathew	Executive Director	2.6	\$1,150.00	\$2,990.00
Van Hargett, William	Senior	36.2	\$400.00	\$14,480.00
Vitale, John	Partner	1.5	\$900.00	\$1,350.00
Wagler, Derrick	Partner	17.5	\$900.00	\$15,750.00
Wagler, Derrick	Partner	4.6	\$1,250.00	\$5,750.00
Ward, James	Manager	89.7	\$500.00	\$44,850.00
Wasser, Michael	Executive Director	1.5	\$1,150.00	\$1,725.00
Weintraub, David	Partner	1.0	\$900.00	\$900.00
Wetherington, Trevor	Executive Director	9.5	\$875.00	\$8,312.50
Winfrey, Kelly	Senior Manager	4.0	\$650.00	\$2,600.00
Winfrey, Kelly	Senior Manager	299.4	\$750.00	\$224,550.00
Winfrey, Kelly	Senior Manager	37.1	\$950.00	\$35,245.00
Yaghmour, Michael	Partner	0.5	\$900.00	\$450.00
Yuan, Kris	Staff	36.0	\$250.00	\$9,000.00
Zeller, Colleen	Partner	1.1	\$1,250.00	\$1,375.00
	Non-Fixed Total	2,563.2		\$1,503,294.50

Doherty, Julia	Senior	54.2	Fixed Fee	
Huynh Tho vo, Le	Staff	25.0	Fixed Fee	
Lane, Adam	Staff	57.1	Fixed Fee	
O'Connor, Lily	Senior	41.4	Fixed Fee	
Rossy, Alberto	Senior Manager	0.5	Fixed Fee	
Wagler, Derrick	Partner	1.0	Fixed Fee	
Winfrey, Kelly	Senior Manager	16.8	Fixed Fee	
	2023 Tax Compliance - Fixed Total	196.0		\$0.00

Doherty, Julia	Senior	31.0	Fixed Fee	
Huynh Tho vo, Le	Staff	49.9	Fixed Fee	
O'Connor, Lily	Senior	31.4	Fixed Fee	
Sandali, Félix	Staff	5.0	Fixed Fee	
Winfrey, Kelly	Senior Manager	6.6	Fixed Fee	

Name	Rank	Time	Hourly Rates	Total Individual Fees
	2024 Tax Compliance - Fixed Total	123.9		\$200,000.00

Clements, Dustin	Executive Director	2.0	Fixed Fee	
Kearl, Logan	Staff	31.5	Fixed Fee	
Ko, Lucy	Senior	56.5	Fixed Fee	
Larsen, Aaron	Manager	11.5	Fixed Fee	
O'Connor, Lily	Senior	7.3	Fixed Fee	
Winfrey, Kelly	Senior Manager	1.0	Fixed Fee	
	Vector Tax Depreciation - Fixed Total	109.8		\$26,000.00

Ingram, Connie	Manager	43.0	\$470.00	\$20,210.00
	Preparation of Fee Applications - Total	43.0		\$20,210.00

	Consolidated Total	2,997.9		\$1,731,644.50
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Reconciliation

Payments received to date	-\$1,008,932.40
Fee examiner recommended fee adjustment (first interim fee application)	-\$3,575.00
Adjustment for Howard Tucker rate previously submitted to Court	-\$5,002.50
Retainer on account to apply	-\$48,815.00
Total Due with Final Fee Application (post adjustments)	\$665,319.60

**COMPENSATION BY PROJECT CATEGORY FOR THE
FINAL COMPENSATION PERIOD**

Time Category	Category Descriptions	Total Hours	Total Fees
State Notice and State Audit Assistance	Assistance with state notices and state audits.	30.4	\$9,282.50
IRS Audit Assistance	Assistance with the Franchise Group New HoldCo, LLC 2019 IRS audit and Appeals process.	59.0	\$48,027.50
Debt Restructuring Tax Assistance	Assistance with tax implications of various restructuring scenarios.	381.6	\$394,522.50
Loan Pool Valuation Assistance	Valuation of certain finance receivables.	77.3	\$34,945.00
Valuation Assistance	Annual goodwill and long lived asset impairment testing.	311.0	\$104,680.00
Accounting Assistance	Assistance with technical accounting applicable standard for financial reporting.	999.8	\$510,460.00
Pet Supplies Plus Carveout Tax Provision	Assistance with Pet Supplies Plus carveout tax provision preparation.	42.5	\$21,062.00
Routine On-call Services	Miscellaneous assistance related to bankruptcy administration, request and review of IRS transcripts as a result of a notice along with guidance on status of Form 1139, Application for Tentative Refund and Sylvan gain state sourcing analysis.	64.8	\$45,915.50
2024 Tax Provision Assistance	Assistance with 2024 tax provision preparation.	558.8	\$316,539.50
2023 Tax Compliance	December 2023 tax compliance.	196.0	\$0.00
Vector Tax Depreciation	Compute tax depreciation using EY LLP's Cost Recovery Vector platform ("Vector") for the tax year ended 12/28/2024.	109.8	\$26,000.00
2024 Tax Compliance	December 2024 tax compliance.	123.9	\$200,000.00
Preparation of Fee Applications	Prepare fee statements in format required by Bankruptcy Court.	43.0	\$20,210.00
	Total	2,997.9	\$1,731,644.50

	Non-Fixed Fee Total	2,568.2	\$1,505,644.50
	Tax Compliance -Fixed Total	319.9	\$200,000.00
	Vector Tax Depreciation -Fixed Total	109.8	\$26,000.00
	Consolidated Total	2,997.9	\$1,731,644.50

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FRANCHISE GROUP, INC., *et al.*,¹

Reorganized Debtors.

Chapter 11

Case No. 24-12480 (LSS)

(Jointly Administered)

Hearing Date:

September 10, 2025 at 10:00 a.m. (ET)

Objection Deadline:

August 11, 2025 at 4:00 p.m. (ET)

**SIXTH MONTHLY AND FINAL FEE APPLICATION OF
ERNST & YOUNG LLP AS TAX, VALUATION, AND ACCOUNTING SERVICES
PROVIDER TO THE DEBTORS AND DEBTORS IN POSSESSION FOR
COMPENSATION FOR PROFESSIONAL SERVICES RENDERED
AND REIMBURSEMENT OF EXPENSES INCURRED FOR THE PERIOD
FROM (I) MAY 1, 2025 THROUGH AND INCLUDING JUNE 2, 2025 AND (II) FOR
THE PERIOD NOVEMBER 3, 2024 THROUGH AND INCLUDING JUNE 2, 2025**

¹ The Reorganized Debtors in these chapter 11 cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy's Newco, LLC (5404), Buddy's Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260), Franchise Group Newco BHF, LLC (4123), Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies "Plus", LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Reorganized Debtors' headquarters is located at 2371 Liberty Way, Virginia Beach, Virginia 23456.

Pursuant to Sections 330 and 331 of Title 11 of the United States Code (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and the Court’s (defined below) interim compensation procedures order entered on October 6, 2022 [D.I. 114] (the “Administrative Order”), Ernst & Young LLP (“EY LLP”) hereby files this sixth monthly and final fee application (this “Application”), seeking (i) allowance of compensation for professional services performed by EY LLP during the period commencing May 1, 2025 through and including June 2, 2025 (the “Sixth Monthly Fee Period”) in the amount of \$207,625.00 (80% of which is \$166,100.00), and for reimbursement of its actual and necessary expenses in the amount of \$0.00 and (ii) final allowance of compensation for professional services performed by EY LLP during the period commencing on November 3, 2024 through and including June 2, 2025 (the “Final Compensation Period” and, together with the Sixth Monthly Fee Period, the “Compensation Period”) in the amount of \$1,731,644.50 and reimbursement for its actual and necessary expenses incurred during the Final Compensation Period in the amount of \$0.00.

Background

1. On November 3, 2024 (the “Petition Date”), each of the Debtors filed with the United States Bankruptcy Court for the District of Delaware (the “Court”) a voluntary petition for relief under chapter 11 of the Bankruptcy Code (collectively, the “Chapter 11 Cases”). The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. On January 7, 2025, the Court entered the *Order (I) Authorizing the Retention and Employment of Ernst & Young LLP as Tax, Accounting and Valuation Services Provider Effective as of November 3, 2024, and (II) Granting Related Relief* [D.I. 669] (the “Retention Order”)

authorizing the retention and employment of EY LLP as the Debtors' tax, accounting, and valuation services provider, effective as of the Petition Date.

3. EY LLP is authorized to be compensated under the terms set forth in the engagement letter between the Debtors and EY LLP, and to be reimbursed for actual and necessary out-of-pocket expenses.

Compensation Paid and Its Source

4. All services for which EY LLP requests compensation were performed for or on behalf of the Debtors. EY LLP has received no payment and no promises for payment from any source other than the Debtors for services rendered or to be rendered in any capacity in connection with the matters covered by this Application.

Supporting Detail

5. During the Compensation Period, EY LLP performed services for the Debtors. The total time spent by EY LLP with respect to such services for the Debtors was 211.4 hours for the Sixth Monthly Fee Period and 2,997.9 hours for the Final Compensation Period. The blended average hourly rate with respect to such services was \$982.14 during the Sixth Monthly Fee Period and \$577.62 during the Final Compensation Period.

6. The supporting detail for the Final Compensation Period is reflected on **Exhibit A**.

Applicable Law

7. Section 330(a)(1) of the Bankruptcy Code provides, in relevant part, as follows:

(a) (1) After notice to the parties in interest and the United States Trustee and a hearing, and subject to sections 326, 328, and 329, the court may award to a ... professional person employed under section 327 or 1103 –

(A) reasonable compensation for actual, necessary services rendered by the trustee, examiner, ombudsman, professional person, or attorney and by any paraprofessional person employed by any such person; and

(B) reimbursement for actual, necessary expenses.

8. Section 330 of the Bankruptcy Code prescribes the general standards for determining the reasonableness of the amount of compensation sought by a professional. *See* 3 Collier on Bankruptcy ¶ 331.03 at 331-12. Congress enacted section 330 of the Bankruptcy Code to liberalize the practice of granting the allowance of compensation to professionals in bankruptcy cases in order to ensure that professionals be reasonably compensated and that future professionals not be deterred from taking bankruptcy cases due to a failure to pay adequate compensation. *See In re Ames Dep't Stores, Inc.*, 76 F.3d 66, 72 (2d Cir. 1996) (*quoting In re UNR Indus., Inc.*, 986 F.2d 207, 208-09 (7th Cir. 1993)).

9. Section 330(a) of the Bankruptcy Code provides for the compensation of reasonable and necessary services rendered by professionals based on the time, the nature, the extent and the value of such services, and the cost of comparable services other than in a case under the Bankruptcy Code. *See* 11 U.S.C. § 330. The test for determining necessity is objective, focusing on what services a reasonable professional would have performed under the same circumstances. *See, e.g., In re Angelika Films 57th, Inc.*, 227 B.R. 29, 42 (Bankr. S.D.N.Y. 1998). This test does not rely on hindsight to determine the ultimate success or failure of the professional's actions. *See id.; In re Keene Corp.*, 205 B.R. 690, 696 (Bankr. S.D.N.Y. 1997). Ultimately, if the services of a professional are reasonably likely to benefit the debtor's estate, they should be compensable. *See Angelika Films*, 227 B.R. at 42.

10. EY LLP respectfully submits that the compensation sought in this Application is necessary and reasonable. The services that EY LLP rendered to the Debtors during the Fee Period required a high degree of professional competence, and EY LLP was required to expend substantial time and effort in providing those services. EY LLP performed efficiently, effectively and economically, and the results obtained have benefited the Debtors, their estates and their creditors.

11. Although EY LLP has made an effort to include all fees and expenses incurred during the Final Compensation Period, some fees and expenses might not be included in this Application due to delays caused by accounting and processing during the Fee Period. EY LLP reserves the right to make further application to this Court for allowance of such fees and expenses not included herein.

WHEREFORE, EY LLP hereby respectfully requests that the Court award (i) interim and final allowance of EY LLP's compensation for professional services rendered during the Sixth Monthly Fee Period in the amount of \$207,625.00 (80% of which is \$166,100.00) representing 100% of the fees incurred during the Sixth Monthly Fee Period, and reimbursement in the amount of \$0.00 representing 100% of actual and necessary expenses incurred during the Sixth Monthly Fee Period, and (ii) final allowance of EY LLP's compensation for professional services rendered during the Final Compensation Period in the amount of \$1,731,644.50 representing 100% of fees incurred during the Final Compensation Period, and reimbursement in the amount of \$0.00 representing 100% of actual and necessary expenses incurred during the Final Compensation Period, and (iii) payment of the foregoing amounts to the extent not yet paid, with respect to services it provided the Debtors during the Final Compensation Period. EY LLP also respectfully requests that it be granted such other and further relief as the Court may deem just and proper.

July 21, 2025

/s/ Andrea Hill
Andrea Hill
Partner/Principal
Ernst & Young LLP

CERTIFICATION OF ANDREA HILL

I, Andrea Hill, pursuant to 28 U.S.C. § 1746, to the best of my knowledge and belief, and after reasonable inquiry, hereby certify that:

1. I am a Partner/Principal with Ernst & Young LLP (“EY LLP”), and I am duly authorized to make this certification on behalf of EY LLP. EY LLP was retained by Franchise Group, Inc. and its affiliated debtors (collectively, the “Debtors”). This certification is made in support of the *Sixth Monthly and Final Fee Application of Ernst & Young LLP as Tax, Valuation, and Accounting Services Provider to the Debtors and Debtors in Possession For Compensation for Professional Services Rendered and Reimbursement of Expenses Incurred for the Period From (I) May 1, 2025 Through and Including June 2, 2025 and (II) for the Period November 3, 2024 Through and Including June 2, 2025* (the “Application”) and in compliance with rule 2016-1 of the Local Rules of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”).

2. I have read the Application, and I certify that the Application substantially complies with Local Rule 2016-1.

3. The facts set forth in the foregoing Application are true and correct to the best of my knowledge, information, and belief.

July 21, 2025

/s/ Andrea Hill
Andrea Hill
Partner/Principal
Ernst & Young LLP